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102D CONGRESS
1st Session | HOUSE OF REPRESENTATIVES | REPORT. 102-63
Part 2

DISAPPROVING THE APPLICATION OF "FAST TRACK" PROCEDURES TO TRADE AGREEMENT IMPLEMENTING BILLS

MAY 16, 1991.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. ROSTENKOWSKI, from the Committee on Ways and Means, submitted the following

ADVERSE REPORT

[To accompany H. Res. 101 which on March 6, 1991, was referred jointly to the Committee on Ways and Means and the Committee on Rules]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the resolution (H. Res. 101) disapproving the extension of "fast track" procedures to bills to implement trade agreements entered into after May 31, 1991, having considered the same, report unfavorably thereon and recommend that the resolution do not pass.

SUMMARY AND PURPOSE OF H. RES. 101

H. Res. 101, introduced by Mr. Dorgan with cosponsors on March 6, 1991, states that the House of Representatives disapproves the request of the President for an extension, under section 1103(b)(1)(B)(i) of the Omnibus Trade and Competitiveness Act of 1988, of the provision of section 151 of the Trade Act of 1974 to any implementing bill submitted with respect to any trade agreement entered into under section 1102(b) or (c) of the 1988 Act after May 31, 1991, because sufficient tangible process has not been made in trade negotiations.

The purpose of the resolution is to terminate the application of so-called fast track Congressional procedures for considering legislation to implement trade agreements entered into during the next two years. The fast track procedures guarantee a specific timetable for committee and floor consideration of trade agreement implementing legislation and prohibit any amendments to that legislation following its introduction. The effect of passage of the disap-

H783-2

proval resolution would be to restore normal Congresssional procedures for the consideration of legislation to implement trade agreements.

BACKGROUND

Fast track trade agreement authority and procedures

Section 151 of the Trade Act of 1974 contains special so-called fast track procedures for Congressional consideration of legislation to implement trade agreements. Authority for the President to enter into trade agreements subject to these procedures was first provided in the 1974 Act for the Tokyo Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT), renewed in the Trade Agreements Act of 1979, extended to bilateral trade agreements in the Trade and Tariff Act of 1984, and most recently reauthorized for the Uruguay Round of GATT multilateral trade negotiations and for bilateral trade agreements under sections 1102 and 1103 of the Omnibus Trade and Competitiveness Act of 1988. These authorities also contain consultation requirements with the Congress that must be met by the Executive branch as a precondition for the fast track procedures to apply.

Although statutory, the legislative procedures under section 151 were enacted as an exercise of the rulemaking powers of the House of Representatives and of the Senate and are part of the rules of each House of Congress. These procedures may be changed in the same manner as any other rules of the House and of the Senate. To date, the multilateral trade agreements concluded in the Tokyo Round and the two bilateral free trade agreements between the United States and Israel and the United States and Canada have been implemented under the fast track procedures, as well as bilateral commercial agreements extending most-favored-nation treatment. H. Res. 101 is the first effort in the House since adoption of the fast track procedures in 1974 to terminate their application.

In contrast with traditional tariff proclamation authority, nontariff barrier agreements and bilateral trade agreements cannot enter into force for the United States and become binding as a matter of domestic law unless and until the President either complies with the specific requirements for consultation with the Congress and implementing legislation approving the agreement and making necessary and appropriate changes in domestic law is passed by the Congress under the fast track procedures, or any necessary implementing legislation is approved by the Congress under the normal legislative process.

Section 1102 (b) and (c) of the 1988 Act authorize the President to enter into multilateral or bilateral trade agreements with foreign countries to reduce or eliminate any nontariff barriers or other trade-distorting measures or to prohibit or limit the imposition of such barriers or distortions before June 1, 1993. Section 1101 of the 1988 Act sets forth U.S. negotiating objectives for such agreements. However, agreements may be implemented under the fast track procedures only if they are entered into prior to June 1, 1991, unless the fast track implementing authority is extended for agreements entered into after May 31, 1991 and before June 1, 1993. The

June 1, 1991 date was intended to coincide approximately with the target conclusion date of the Uruguay Round at the Ministerial-level meeting in Brussels in December 1990 and to accommodate the consultation requirements under the fast track while Congress is in session.

In the case of bilateral trade agreements, the foreign country must request the negotiations, and the President must provide written notice to the House Ways and Means and Senate Finance Committees at last 60 legislative days prior to the 90 calendar day notice of his intention to enter into an agreement and consult with the Committees regarding the negotiations. During this 60-day period either Committee may disapprove the negotiations proceeding under the fast track procedures.

Consultation and advisory requirements

At least 90 calendar days before he enters into a multilateral or bilateral agreement (i.e., by March 1, 1991, or by March 3, 1993, if the fast track authority is extended), the President must notify the Congress of such intention. Before entering into any agreement, section 1102(d) of the 1988 Act requires the President to consult with the House Committee on Ways and Means, the Senate Committee on Finance, and with each other House and Senate committee of jurisdiction on the nature of the agreement, how and to what extent it achieves statutory negotiating objectives, and all matters relating to implementation. Since the President did not notify by March 1, 1991 his intention to enter into any trade agreements by June 1, fast track implementing authority has effectively expired.

The purpose of the 90-day notice period is to provide the Congressional committees of jurisdiction an opportunity to review the proposed agreement before it is signed and to determine the changes in U.S. laws that would be necessary or appropriate to implement the international obligations under the agreement. The committees may also advise U.S. negotiators on whether the content of the agreement is likely to be acceptable or requires revision in order to obtain Congressional approval. In previous practice, during this period committees of jurisdiction have developed together with Administration officials the draft text of an acceptable implementing bill.

The Committee on Ways and Means has held public hearings and conducted informal markup sessions and an informal conference with Senate counterparts, with Administration participation, on the specific elements of a draft implementing bill to recommend to the President as acceptable if the same text is formally submitted to the Congress for introduction under the fast track procedures. The bill is actually drafted by House and Senate legislative counsel. In all three trade agreements approved under fast track procedures to date (Tokyo Round, U.S-Israel, and U.S.-Canada), the President has submitted to the Congress an implementing bill identical to the provisions drafted in the Congress.

In addition to the 90-day advance consultation requirements with Congressional committees, various other statutory requirements ensure the input and advice from the private sector as well as participation of the Congress throughout the negotiating process. Section 161 of the Trade Act of 1974 establishes Congressional advisers

from committees of jurisdiction in the House and the Senate on trade policy and negotiations who are accredited as official advisers to U.S. delegations to international conferences, meetings, and negotiating sessions relating to trade agreements. This statute also requires the U.S. Trade Representative (USTR) to keep each official adviser and designated committee staff currently informed on trade negotiating objectives, the status of negotiations, and any changes in domestic law that may be recommended to Congress to carry out a trade agreement.

The five official advisers selected by the Speaker of the House from the Committee on Ways and Means, as well as the other Members of the Committee and its staff, have actively exercised this advisory role throughout trade negotiations in periodic public hearings, briefings in executive session by the USTR and other Executive branch officials, continual informal Member and staff liaison with the Office of the USTR on an almost daily basis, as well as attendance at negotiating sessions. The U.S. Trade Representative, her Deputies, and staff in both Washington and Geneva have cooperated fully with the Committee in this consultation and advisory process.

Section 135 of the Trade Act of 1974 established an elaborate structure of private sector advisory committees that the President and Executive branch agencies must consult and seek information and advice on trade policy issues and objectives and negotiating positions. In addition to the 44-member Advisory Committee for Trade Policy and Negotiations (ACTPN) appointed by the President, policy, sectoral, and functional committees represent a broad representative spectrum of industry, agriculture, labor, services, investment, defense, small business, and other domestic interests.

Each of the private sector advisory committees must report to the President, the Congress, and the USTR as to whether and to what extent a trade agreement promotes U.S. economic interests, achieves the applicable negotiating objectives set forth in section 1101 of the 1988 Act, and, in the case of sectoral or functional committees, whether the agreement provides for equity and reciprocity within that sector or functional area. These reports are due no later than the date the President notifies the Congress of his intention to enter into the agreement, thereby providing a basis for the Congress to assess the broadly representative views of the private sector on the merits and impact of the agreement before it is signed.

Sections 131–134 of the 1974 Act set forth procedural requirements that must be met before the President can make formal offers in a trade negotiation to modify U.S. duties or other import restrictions. The U.S. International Trade Commission (ITC) must provide advice with respect to each article or nontariff matter on its judgment as to the probable economic effect of the proposed modification on the competing U.S. domestic industry. Before entering into any agreement, the President must hold public hearings on all matters relevant to the trade agreement and seek information and advice from the interested Executive branch agencies.

Legislative procedures

After entering into the agreement, section 1103(a) of the 1988 Act requires the President to submit to the Congress a copy of the final legal text of the agreement, together with a draft implementing bill, a statement of any administrative action proposed to implement the agreement, and supporting information. There is no statutory timeframe for this submission following the signing of the agreement. In practice, the timetable has been worked out between the leadership of the House and Senate and the Administration based on a balance between providing an adequate opportunity within the Congressional schedule for the committees of jurisdiction to review the agreement and develop an acceptable draft implementing bill and expeditious formal action on the bill to meet U.S. international obligations under the agreement.

Under the fast track procedures, the implementing bill is introduced by the leadership in both Houses and referred to the committees of jurisdiction on the same day as the trade agreement and bill are submitted by the President (day 1 of the formal fast track process). Assuming the bill is a revenue measure, Congressional consideration must be completed within a maximum 90 legislative day period after introduction (60 days if a non-revenue bill). The committees have 45 legislative days in which to report the bill; they are automatically discharged from further consideration thereafter. A vote on final passage must take place within 15 legislative days after the bill is reported or discharged. Since Senate action must take place on a House-passed revenue bill, an additional 15 days is provided for Senate committee consideration and an additional 15 days is provided for Senate floor action on a House-passed measure. No amendments to the bill are in order once it is introduced, either in committee or during House and Senate consideration; action is an "up" or "down" vote on the implementing bill in its entirety. Section 151 also prescribes procedural rules with respect to motions and hours of debate.

Section 1103(c) of the 1988 Act instituted a "reverse fast track" procedure as rules of the House and Senate that terminates the availability of the fast track procedures for implementing trade agreements at any time if both the Committees on Ways and Means and the Committee on Rules in the House and the Committee on Finance in the Senate report, and both the House and the Senate pass, resolutions of disapproval within any 60 legislative day period. The basis for disapproval is the failure or refusal of the USTR to consult with the Congress on trade negotiations and trade agreements as set forth in the statutory requirements. The resolution is not amendable.

Status of negotiations

Uruguay round

The Uruguay Round of GATT multilateral trade negotiations was launced in Punta del Este on September 20, 1986, to be concluded within four years. This eighth GATT round of multilateral negotiations has the most comprehensive and complex agenda of trade subject matter to date and the broadest participation of 108 countries. Fifteen negotiating groups have been seeking agree-

ments in four broad categories of issue areas: Market Access (tariffs and nontariff measures, textiles, tropical products, and natural resource based products); GATT Rules (subsidies, antidumping, and codes other nontariff measures; dispute settlement; import safeguards, GATT Articles, including balance of payments reform); Agriculture; and New Areas (services, trade-related intellectual property rights; and trade-related investment measures).

These negotiations are a single undertaking for a package of agreements covering all areas. While substantial progress toward agreed texts has been made on many individual subjects, disagreement on meaningful agriculture reform has been a major factor affected and delaying progress overall throughout the course of the negotiations. Considerable work also remains to be done on services and market access, in particular, as well as decisions to resolve some major policy differences in other areas. The breakdown of the negotiations at the concluding Ministerial-level meeting in Brussels in December 1990 meant no agreement at the political level necessary to enable completion of final agreements before the March 1, 1991, deadline for notice to the Congress under existing fast track implementing authority. Consultations following Brussels have resulted in a resumption of the negotiations, including on agriculture, but no new date has been set to conclude the Round.

Throughout the Uruguay Round, the United States has maintained the leadership role in seeking to strengthen the international trading system by insisting on a substantial comprehensive result, consistent with the negotiating objectives mandated in the 1988 Act. Throughout the four years, the Administration has consulted extensively with the private sector and with Congressional committees on negotiating issues and U.S. positions.

North American Free Trade Agreement

On June 20, 1990, President Bush and Mexican President Salinas issued a joint statement endorsing a comprehensive bilateral free trade agreement, and directed their respective trade ministers to undertake consultations and preparatory work necessary before initiating negotiations. Following preliminary consultations with Congressional committees and private sector representatives, Ambassador Hills and Secretary Serra in a joint report on August 8 recommended to their respective Presidents the initiation of formal negotiations. In a letter to President Bush on August 21, President Salinas formally proposed initiation of negotiations for a free trade agreement between the United States and Mexico.

On September 25, 1990, President Bush sent a formal notice to the House Ways and Means and Senate Finance Committees pursuant to section 1102(c) of the 1988 Act of trade negotiations with Mexico, triggering the 60-legislative day period for Committee disapproval. The notice also indicated the desire of the Government of Canada to participate in the negotiations. On February 5, 1991, the President sent a formal notice to the two Committees of trade negotiations with Canada and reported that, as a result of exploratory consultations with Canada and Mexico, agreement was reached to seek a three-day free trade area. On the same day, Presidents Bush and Salinas and Prime Minister Mulroney issued a joint communique announcing their intention to pursue trilateral negotia-

tions of a comprehensive North American Free Trade Agreement (NAFTA) as soon as possible, consistent with domestic procedures. The goal would be progressive elimination of obstacles to the flow of goods and services and to investment, protection of intellectual property rights, and establishment of a fair and expeditious dispute settlement mechanism. Neither Committee has disapproved proceeding with these negotiations under the fast track procedures during the 60-legislative day committee disapproval periods.

Enterprise for the Americas Initiative

On June 27, 1990, President Bush announced the Enterprise for the Americas Initiative (EAI) to achieve faster economic growth in the Hemisphere through trade, investment, debt, and environmental measures. Trade liberalization includes the long-term goal of a free trade area encompassing all of North, Central and South America, with a free trade agreement with Mexico as the first step in the process.

Request for fast track extension

Section 1103(b) of the 1988 Act sets forth the requirements and procedures for a one-time extension for a two-year period of the fast track procedures to implement trade agreements entered into after May 31, 1991, and before June 1, 1993. As is the case with the fast track itself, the extension disapproval procedures were enacted as rules of the House and of the Senate.

On March 1, 1991, President Bush submitted a report to the Congress requesting fast track extension (House Document 102-51). As required by the statute, the request is a generic one, for an extension of the fast track procedures as they would apply to any multilateral or bilateral trade agreement authorized under section 1102 (b) or (c) of the 1988 Act irrespective of the countries involved or the scope of the agreement. In explaining the need for the request, however, the President specifically cited completion of the Uruguay Round of GATT multilateral trade negotiations, negotiation of a North American Free Trade Agreement with Mexico and Canada, and pursuit of the trade objectives in the Enterprise for the Americas Initiative with one or more Latin American countries. On March 1, the ACTPN also submitted its report to the Congress as required on the President's request, strongly recommending, with the sole dissent of its labor representatives, that the Congress grant the extension of fast track procedures.

The fast track procedures are automatically extended for an additional two-year period for bills to implement trade agreements entered into after May 31, 1991, and before June 1, 1993, if neither House of the Congress adopts an extension disapproval resolution before June 1, 1991. The specific language of the resolution in order for consideration is stated in section 1103(b)(5) of the 1988 Act and provides for disapproval of the fast track implementation procedures generically as they apply to both multilateral or bilateral trade agreements because "sufficient tangible progress has not been made in trade negotiations." Such resolutions are referred jointly to the Committees on Ways and Means and Rules in the House and to the Committee on Finance in the Senate. It is not in

order for either House to consider a disapproval resolution that has not been reported by these committtees by May 15, 1991.

On March 6, 1991, Mr. Dorgan introduced H. Res. 101 with 14 cosponsors to disapprove the President's fast track extension request. The resolution was jointly referred to the Committee on Ways and Means and the Committee on Rules. On March 13, 1991, Senator Hollings introduced the identical disapproval resolution in the Senate with 14 cosponsors, S. Res. 78, which was referred to the Committee on Finance.

As a result of serious concerns raised by a number of Members of Congress, the Chairman of the Committee on Ways and Means, Dan Rostenkowski and the Chairman of the Senate Committee on Finance, Lloyd Bentsen, sent a joint letter on March 7 to President Bush requesting an action plan by May 1 on how the Administration intends to address the disparities between the United States and Mexico in the adequacy and enforcement of environmental standards, health and safety standards, and worker rights, as well as other relevant issues in the context of a free trade agreement. The Chairmen also urged the Administration not to commit itself to an unrealistic six-month time frame for resolving these complex issues, and stated that consulting with the Congress is an absolute necessity throughout the negotiations. On March 27, the Majority Leader of the House, Richard A. Gephardt, also sent a letter to the President detailing similar concerns. On May 1, 1991, the President sent an 86-page response to these letters (WMCP: 102–10).

On May 9, Mr. Gephardt, with Mr. Rostenkowski and Mr. Levine of California as cosponsors, introduced H. Res. 146, expressing the sense of the House of Representatives with respect to the United States objectives that should be achieved in the negotiation of future trade agreements, to accompany consideration of the fast track disapproval resolution, H. Res. 101.

COMMITTEE ACTION

In the 101st Congress, the Subcommittee on Trade of the Committee on Ways and Means held two days of initial hearings on June 14 and 28, 1990 on United States-Mexico economic relations (Serial 101–108). Testimony by Administration and private sector witnesses at this hearing focused primarily on the announcement on June 10, 1990 by President Bush and Mexican President Salinas that they endorsed the goal of a comprehensive free trade agreement between the two countries. Most of these initial reactions, except from labor representatives, were favorable to the concept of a bilateral free trade agreement.

On September 27, 1990, the Committee on Ways and Means and the Senate Committee on Finance jointly requested the U.S. International Trade Commission to conduct a fact-finding study under section 332(g) of the Tariff Act of 1930 of the likely impact of the proposed free trade agreement on the U.S. economy in general, on major U.S. industries and other sectors, and on specific regions of the country. The report by the ITC to the Committees in February 1991 entitled "The Likely Impact on the United States of a Free Trade Agreement with Mexico" (USITC Publication 2353) provided background analysis for subsequent hearings. The ITC provided up-

dated information to the Committee on April 4, 1991 concerning the likely impact on income for lower-wage workers.

On February 20, 21, and 28, 1991, the Subcommittee on Trade held three full days of hearings on the proposed negotiations of a bilateral free trade agreement with Mexico, in conjunction with the 60-legislative day period for Committee disapproval of the negotiations proceeding under fast track procedures. The Subcommittee received testimony from the U.S. Trade Representative, Ambassador Carla Hills, on behalf of the Administration, Members of Congress, and a broad spectrum of private sector representatives of industry, agriculture, labor, services, environmental, worker and human rights, consumer, academic and other interests who had requested to testify.

On February 20, the full Committee on Ways and Means met with Ambassador Hills in executive session to discuss the current status of the Uruguay Round, in particular efforts undertaken since the Ministerial-level meeting in Brussels in December 1990 to resume the negotiations.

The Committee held two days of hearings on March 12 and on April 11, 1991 specifically on the President's request to the Congress on March 1 for an extension of the fast track procedures. Ambassador Hills testified on behalf of the Administration on March 12 in support of the extension request; the Majority Leader of the House and invited panels of witnesses from major associations representing business interests in favor of fast track extension and from major labor unions opposed to extension testified on April 11. Numerous written statements were submitted for the printed hearing record on both sides of the issue.

In addition, the Committee has received considerable correspondence from industry and agricultural coalitions and trade associations, individual firms, consumer groups, State and local governments, regional economic organizations, academicians, and other interests in favor of fast track extension in order to complete the Uruguay Round and negotiate a NAFTA. The opposition to fast track extension from labor unions, certain environmental groups and human rights organizations, and from certain specific industry and agricultural interests has focused primarily on concerns that a NAFTA would result in plant and job dislocations to Mexico or injurious import competition.

On May 14, 1991, the Committee on Ways and Means ordered H. Res. 101 adversely reported to the House of Representatives after a record vote of 9 ayes to 27 nays on the resolution. The Committee ordered H. Res. 146 favorably reported to the House by voice vote, with amendments.

JUSTIFICATION

The Committee reports H. Res. 101 adversely to the House with the recommendation that it do not pass, after lengthy and careful consideration. This consideration has focused on how the prerogatives of the Committee and the constitutional role of the House of Representatives in implementing trade agreements and the ability of the Executive to negotiate trade agreements in the U.S. economic interest can best be achieved and reconciled. The Committee be-

lieves that the progress to date in multilateral trade negotiations and the negotiations contemplated in the President's report to the Congress on March 1 warrant extension of the fast track procedures for an additional two years. The fast track process best ensures successful pursuit of U.S. negotiating objectives, while fully preserving Congressional participation and prerogatives. The Committee believes that H. Res. 146 is the appropriate vehicle, rather than fast track disapproval for the House of Representatives to express its expectations as to the objectives for future trade agreements and continuation of a strong Congressional role throughout the course of negotiations and implementation.

The fast track procedures were instituted in the Trade Act of 1974 in response to two main concerns: First, nontariff measures to restrict or distort trade, rather than tariffs, had become the major trade barriers and chief focus of the upcoming Tokyo Round of GATT multilateral trade negotiations. Unlike traditional proclamation authority granted periodically by the Congress to the President to implement tariff concessions, implementation of nontariff trade agreements potentially involves extensive changes in a wide variety of long-standing U.S. domestic laws and administrative practice. Second, our major trading partners, operating under parliamentary systems of government, were convinced, as a result of Congressional failure to approve under normal legislative procedures two nontariff agreements reached in 1967 as part of the Kennedy Round of GATT multilateral trade negotiations, that it was futile to negotiate with the United States if U.S. negotiators could not make international commitments with an expectation that the Congress would approve and implement the results. In sum, the fast track procedures are necessary to give the United States credibility to negotiate.

The fast track procedures and consultation requirements developed in the 1974 Act represent a balance, workable compromise designed to accommodate the constitutional role of the Congress in regulating foreign commerce and legislating changes in domestic statutes, while providing the Executive two guarantees essential for negotiations—a vote on the final agreement within a specific time frame, and no amendments to the legislation approving and implementing the final agreement.

The fast track procedures must be viewed together with the Congressional consultation requirements that are statutory preconditions to use of fast track authority, as well as the private sector and other advisory requirements that are an integral part of the negotiating and implementing process. The fast track procedures are only part of an overall process that begins with Congress granting a mandate for negotiations, requires consultation with the Congress on a continual basis throughout the course of the negotiations, permits the committees of jurisdiction to develop the draft implementing legislation prior to its introduction under the fast track, and includes private sector input at all stages. And, Congress has preserved the right and established a procedure under House and Senate rules to withdraw the fast track procedures at any time if the consultation requirements are not being met. The fast track "up" or "down" vote itself is only the culmination and final step of

a bipartisan, cooperative working relationship between the Congress and Executive branch throughout this long process.

Opponents of extension argue that under the fast track procedures Congress relinquishes its role and power to influence and review trade agreements. They also believe that the importance of the issues for domestic interests makes retention by the Congress of its ability to amend the results under normal legislative procedures essential. The Committee disagrees. The fast track and consultation requirements together enable trade negotiations on a complex range of subject matter to proceed on a credible basis with foreign governments by ensuring domestic support through continual advice and input from the Congress and private sector. The fast track provides special procedures for Congressional consideration of trade agreements; it preserve the unqualified right of each Member to vote the final trade agreement up or down on its merits. Congress thereby retains ultimate control over the final result, and thereby maintains leverage during the process, for unless Congress approves the implementing legislation, the trade agreement does not enter into force for the United States.

In practice, the Committee has vigorously pursued its trade agreement prerogatives throughout the course of negotiations by maintaining close and continual liaison with the USTR, holding oversight hearings and periodic briefings at the Member and staff level, and attending negotiating sessions. The Committee has closely reviewed agreements before they are signed, considered the views of the private sector, and recommended changes to U.S. negotiators before agreement texts are finalized. The committees of jurisdiction in the House and Senate have engaged, in effect, in a normal legislative process of drafting acceptable implementing legislation together with the Administration before it is formally introduced under the fast track for a final vote. The Committee fully intends to continue these practices with respect to future trade agreements.

Most Members of the Committee believe that the President has made a compelling case in his report to the Congress on March 1, 1991 that extension of the fast track is warranted to complete the Uruguay Round of multilateral trade negotiations. The progress during four years to date and the substantial potential economic benefits for the United States from reduction of foreign barriers to market access and strengthening of international trading rules if the Round is successful clearly justify continued Congressional support through extension of the fast track procedures. The United States—Administration, Congress and the private sector—took the lead in initiating these negotiations; continued U.S. leadership is necessary and in the national interest.

While the Committee continues to strongly support the Uruguay Round and the strengthening of the GATT multilateral trading system, Members are very concerned about the very limited progress to date in reaching international consensus on specific commitments for major agriculture reform and the impact this has on agreement overall. A comprehensive substantial result must be achieved in these negotiations within the next two years while the fast track remains in effect. But Committee and Congressional substantive expectations remain high; the Committee fully endorses

the position of the U.S. Trade Representative, Ambassador Carla A. Hills, that "no agreement is better than a bad agreement."

Most of the debate on extension of the fast track has focused specifically on its application to the proposed NAFTA. As a result of this debate there is now general consensus—within the Administration, as reflected in the Presidential response of May 1 to Congressional concerns, as well as in the Congress and private sector—that negotiation of a NAFTA must encompass a much broader agenda than traditional trade agreements if it is to be in the best economic interests of the United States. Most Members of the Committee believe that, by allowing the negotiations to proceed, extension of the fast track provides the opportunity to address the very disparities in labor and health and safety standards and environmental protections that opponents of the fast track have raised as major problems currently, in the absence of a free trade agreement. The specific commitments made by the President to address these broader issues, to provide sufficient safeguards and adjustment measures for U.S. industries and workers in order to minimize domestic dislocations, and to work together with the Congress throughout the process provide assurances that negotiations can proceed under the fast track in pursuit of a NAFTA in the national economic interest.

The Committee believes fast track extension is essential so that the opportunities for U.S. economic growth that multilateral and bilateral trade agreements offer can be pursued. Under the fast track process the Committee will continue to fulfill its responsibility to maintain close oversight of the Uruguay Round, NAFTA, and EAI negotiations. While the Committee strongly recommends fast track extension so that these negotiations can proceed, under those procedures it will reserve judgment on whether agreements serve U.S. best economic interests and deserve approval and implementation until the final results can be assessed on their merits by the Congress and the country.

VOTE OF THE COMMITTEE IN REPORTING THE RESOLUTION

In compliance with clause 2(l)(2)(B) of rule XI of the Rules of the House of Representatives, the following statement is made relative to the vote of the Committee in reporting the resolution. H. Res. 101 was ordered adversely reported by the Committee to the House of Representatives on May 14, 1991, by voice vote after a record vote of 9 ayes to 27 nays.

OVERSIGHT FINDINGS

In compliance with clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives relating to oversight findings, the Committee reports that, as a result of extensive public hearings, meetings and correspondence with Executive branch officials and private sector representatives, review of reports and commitments from the President, and in-depth consideration of the issues involved, that extension of the fast track procedures is warranted and H. Res. 101 shall not be passed.

In compliance with clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee states that no oversight

findings and recommendations have been submitted to this Committee by the Committee on Government Operations with respect to the provisions contained in this resolution.

BUDGET EFFECTS AND COST ESTIMATES, INCLUDING ESTIMATES OF CONGRESSIONAL BUDGET OFFICE

In compliance with clause 2(l)(3)(B) of rule XI of the House of Representatives, the Committee states that H. Res. 101 does not provide new budget or spending authority or any increase or decrease in revenues or tax expenditures.

In compliance with clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives, requiring a cost estimate prepared by the Congressional Budget Office, the following report prepared by CBO is provided:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 14, 1991.

Hon. DAN ROSTENKOWSKI,
Chairman, Committee on Ways and Means,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H. Res. 101, to disapprove the request of the President for extension of the fast track procedures under the Omnibus Trade and Competitiveness Act of 1988 and the Trade Act of 1974, as ordered reported on May 14, 1991 by the House Ways and Means Committee. The CBO estimates that this bill would have no effect on fedral government revenues in fiscal years 1991–1996.

Title I of the Omnibus Trade and Competitiveness Act of 1988 (P.L. 100–418) reauthorized the rules for considering legislation to implement multilateral and bilatral trade agreements first established in the Trade Act of 1974 (P.L. 93–618). Under current rules, Congress cannot amend legislation once it has been formally introduced to implement trade agreements negotiated between the United States and foreign countries. Furthermore, Congress must act on the legislation following a strict timetable as long as the President has met statutory requirements concerning Congressional consultation during the negotiation process. These are known as "fast track" procedures.

The fast track procedures are scheduled to expire on May 31, 1991. On March 1, 1991, President Bush requested an extension of the procedures for two more years, until June 1, 1993 (H. Doc. 102–51). Unless either the House or the Senate passes a disapproval resolution by June 1, 1991, the procedures will be extended.

H. Res. 101 is a disapproval resolution. Because its passage would change only the process by which implementing legislation for trade agreements is considered and not the legislation itself, the resolution would cause no change in federal revenues for fiscal years 1991–1996.

PAY-AS-YOU-GO CONSIDERATIONS

[By fiscal year, in millions of dollars]

	1991	1992	1993	1994	1995
Change in revenues	0	0	0	0	0
Change in outlays	0	0	0	0	0

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. This resolution has no pay-as-you-go implications.

If you wish further details, please feel free to contact me or your staff may wish to contact John Stell at 226–2720.

Sincerely,

ROBERT D. REISCHAUER,
Director.

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